

Message Text

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ACTION NEA-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 IO-14 SAB-01 SAM-01 OMB-01 EB-11 TRSE-00

EUR-25 COME-00 STR-08 CIEP-02 CEA-02 SSO-00 NSCE-00

DRC-01 /153 W

----- 034587

R 080720Z MAR 74

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 5617

C O N F I D E N T I A L CAIRO 1132

E.O. 11652: GDS

TAGS: BEXP EG

SUBJECT: EGYPTIAN REQUEST FOR SUG HELP IN SUEZ CANAL
SALVAGE OPERATION

1. ON THE EVENING OF FAHMY'S DINNER FOR THE SECRETARY (FEB 28), SIRRI HANDED ME A MEMORANDUM WHICH HE DESCRIBED AS A REQUEST BY THE FOREIGN MINISTER FOR USG ASSISTANCE IN CONNECTION WITH THE SUEZ CANAL SALVAGE OPERATION. I HAVE DELAYED SUBMITTING SAME UNTIL I COULD TALK FURTHER WITH FAHMY ABOUT IT. I HAD A CHANCE TO DO SO IN ONE OF MY RECENT MEETINGS WITH FAHMY, WHO CONFIRMED THE REQUEST. H NOTED AN AMERICAN COMPANY, MURPHY PACIFIC, HAS BID FOR THE SUEZ CANAL SALVAGE JOB AND WAS IN FACT THE LOWEST BIDDER. WHAT FAHMY WAS NOW ASKING WAS THAT THE USG TAKE OVER THE MURPHY PACIFIC COSTS AS OUT-LINED IN HIS MEMORANDUM.

2. THE MEMORANDUM IS UNSIGNED BUT ON THE MINISTER'S PERSONAL STATIONERY. ATTACHED TO IT WAS A WHITE PIECE OF BOND LEGAL SIZE PAPER SETTING FORTH WHAT APPEAR TO BE REQUIREMENTS FOR SUCH AN OPERATION. QUOTED BELOW ARE
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THE MEMORANDUM AND THE REQUIREMENTS ATTACHED:

A. MEMORANDUM

QUOTE

SALVAGE OPERATIONS OF SUNKEN SHIPS (WRECKS) IN
THE SUEZ CANAL CARRIED OUT BY "MURPHY PACIFIC"

- LIFTING CRAFTS OF THE US NAVY WILL BE USED IN THE
SALVAGE OPERATION.

- COSTS OF THE OPERATION AMOUNT TO APPROXIMATELY 6,750.000
US \$. OUT OF THIS SUM, ONE MILLION US \$ APPROXIMATELY
WILL BE USED TO COVER COSTS FOR THE MOBILIZATION OF EQUIPMENT
TO AND FROM EGYPT (TOWAGE OF EQUIPMENT FROM THE US
AND THE PHILIPPINES AND BACK).

- UNITS OF THE US NAVY WILL UNDERTAKE TOWAGE. THE
CONTRACTOR PROMISED TO DEDUCT COSTS OF TOWAGE FROM TH
LTMERALL COSTS OF THE OPERATION IF THE US NAVY WOULD BE
PREPARED TO UNDERTAKE TOWAGE FREE OF CHARGE.

- OVERALL COSTS OF THE OPERATION INCLUDE, AS WELL, THE
LEASING OF FOUR LISTING CRAFTS. WERE THE US NAVY TO
FOREGO COSTS OF LEASE, THIS SUM ALSO COULD BE DEDUCTED FROM
THE OVERALL COSTS.

- IT WOULD BE PREFERRED, WERE THE UNITED STATES TO TAKE
THE REMAINING COSTS TO IT CHARGE. EGYPT, FOR ITS PART,
WILL PUT AT THE DISPOSAL OF THE CONTRACTOR HIS LOCAL NEEDS
OF FLOATING CRANES, TUG BOATS AND DIVERS.

- MANY COUNTRIES, AMONGST THEM GERMANY AND YUGOSLAVIA,
EXPRESSED READINESS TO UNDERTAKE THE SALVAGE OPERATION.
IT WAS THEIR CONTENTION, FROM THE OUTSET, THAT THE US
INTENDS TO USE OUTMODED EQUIPMENT. SINCE IT IS NOW THE
UNITED STATES THAT WILL CARRY OUT SALVAGE OPERATIONS, WE
EXPECT THAT IT WILL USE THE BEST AND MOST MODERN EQUIPMENT
AVAILALBE.

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- MR. THOMAS, PRESIDENT OF "MURPHY PACIFIC," AS WELL AS
MR. P. BARAKA, ITS VICE PRESIDENT, ARE PRESENTLY IN
CAIRO.
UNQUOTE

B. REQUIREMENTS

QUOTE

SALVAGE OPERATION OF THE TEN MAIN WRECKS IN CANAL

CONTRACTOR:

MURPHY PACIFIC MARINE SALVAGE COMPANY
MERRITT DIVISION
17, BATTERY PLACE, NEW YORK, NEW YORK 10004

EQUIPMENT

A. FROM USA

- 2 MEDICUM LIFT CRAFTS EACH 750 T LIFTING CAPACITY OWNED
BY US NAVY.

- 2 HEAVY LIFT CRAFTS EACH 2500 T LIFTING CAPACITY OWNED BY
US NAVY.

- SALVAGE SHIP (RESCUE) OWNED BY THE CONTRACTOR.

- NECESSARY MACHINERY, TOOLS AND SALVAGE EQUIPMENTS TO BE
IMPORTED BY CONTRACTORS.

B. LOCALLY

- FLOATING CRANES OWNED BY SUEZ CANAL AUTHORITY
- TUGS OWNED BY SUEZ CANAL AUTHORITY
- BARGES OWNED BY SUEZ CANAL AUTHORITY
- DIVIN BOATS OWNED BY EGYPTIAN NAVY
- DREDGERS OWNED BY LOCAL CONTRACTOR OR SUEZ CANAL AUTHORITY

B. LOCALLY

PERSONNEL
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A. FROM USA

- CREW FOR THE LIFTING CRAFTS AND SALVAGE SHIP
- SALVAGE TECHNICIANS AND MASTER DIVERS
- OTHER NECESSARY AMERICAN STAFF

B. LOCALLY

- DIVERS , RIGGERS, ELECRIANS, FOREMEN RIGGERS,
DIESEL AND STEAM ENGINEERS.

PRICE OF WORK

IN CASE THE UNITED STATES GOVT SHALL BEAR MURPHY

CONTRACT PRICE IN HARD CURRENCY AMOUNTING TO ABOUT US
\$6,725,000.

THE SUEZ CANAL AUTHORITY WILL PROVIDE FREE OF CHARGE
THE LOCAL SERVICES NEEDED INCLUDING THE LOCAL EQUIPMENT
STAED ABOVE, ALSO THE PERSONNEL FROM THE EGYPTIAN NAVY.
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3. COMMENT FOLLOWS BY SEPTTEL.
EILTS

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 08 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974CAIRO01132
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: CAIRO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740358/aaaacchz.tel
Line Count: 179
Locator: TEXT ON-LINE
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 15 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15 JUL 2002 by kelleyw0>; APPROVED <29 JAN 2003 by GolinoFR>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EGYPTIAN REQUEST FOR SUG HELP IN SUEZ CANAL SALVAGE OPERATION
TAGS: BEXP, EG
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005